ANNUAL REPORT 2023

P E R S E V E R A N C E

Polaris
HOLDING COMPANY LTD.

VISION & MISSION

To be an innovative and socially responsible Company that is resilient, sustainable and committed to staff, industry partners and the community.

We will accomplish our Vision by:

- Basing decisions on the Polaris Effect of doing the right thing at the right time for the right reasons and ensuring all decisions are founded in good governance
- Creating opportunities for our staff and profits for our shareholders
- Continuously exploring opportunities to innovate and grow
- Investing in our physical plant, infrastructure and people
- Engaging fairly and transparently with our staff and partners (industry & union)
- Incorporating sustainability and ESG practices
- Remaining market and environmentally aware and pivoting as needed
- Taking calculated risks and being entrepreneurial

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MESSAGE FROM OUR CHAIRWOMAN

As fiscal 2023 drew to a close, it was clear that Polaris Holding Company Ltd.'s ("Polaris") results would not reflect the Company's transformation over the past decade. Polaris suffered a consolidated loss, triggered by a year-end write down of the remaining goodwill associated with the purchase of East End Asphalt Company Limited ("EEA"). This charge would have been fully offset by other non-operating gains; however, those gains ultimately took place in the new year thanks to timing. Polaris maintained strong cash flow throughout 2023 as it funded quarterly dividends and loan payments, ending the year in a solid cash position.

The Board conducted an extensive review of the Company's current state and the requirements to ensure stability, longevity and growth. The review inspired the new Polaris Vision and Mission Statement and decisions taken included expanding investment in human capital, addressing ESG strategically and holistically, and purchasing the EEA property.

This year's Annual Report holds special significance as it marks Mr. Warren Jones' final year with Polaris before retirement. On behalf of the Board, I acknowledge the monumental impact Warren has had on every aspect of the Company through his ability to consistently engage with all stakeholders. Thank you Warren for your commitment and dedication. You have created a stable and solid ground on which your successor will build.

The Board is excited to welcome incoming CEO Mr. Randolph Rochester and is confident that his experience and track record of collaborative leadership will ensure the Company's evolution and continued guidance by the Polaris Effect.

Not reflective of 2023's disappointing financial results was the efforts of Polaris' management and staff, who demonstrated determination, dedication and service as they strove for success. On behalf of the Board, thank you to the men and women of Polaris and their commitment to the Company, its customers and the community in which we serve.

Cheryl Hayward-Chew
Chairwoman of the Board

OUR BOARD OF DIRECTORS

Cheryl Hayward-Chew
Chairwoman of the Board

Appointed to the Board in July 2006
and as Chairwoman in June 2013

COMMITTEES: NG (Chair), HR (Chair)

Howard Pitcher
Director

Appointed to the Board
in February 2014

COMMITTEES: AR (Chair), NG, HR

Wayne Caines
Director

Appointed to the Board
in October 2009

COMMITTEES: NG, AR

Paul Hubbard
Independent Director*

Appointed to theBoard
in March 2015

COMMITTEES: AR, I

Jeffrey Conyers
Director

Appointed to the Board
in July 2006

COMMITTEES: AR, I

Tracy Berkeley
Independent Director*

Appointed to the Board
in March 2021

COMMITTEES: AR, HR

Tammy Richardson-Augustus
Independent Director*

Appointed to the Board
in September 2017

COMMITTEES: NG, HR, I

Warren Jones
CEO, Director

Appointed to the Board
in September 2016

COMMITTEES: I (Chair)

COMMITTEES				
	NG	Nomination and Corporate Governance	HR	Human Resource and Compensation
	AR	Audit and Risk Management	I	Investment

* Independent as defined by the UK Corporate Governance Code

THE CHIEF EXECUTIVE OFFICER'S REPORT

January 6th 2014 - October 31st 2023...........where did the years go? My last CEO Report.

I envisioned going out with yet another year of profit. Instead, this year reflects our first loss (excluding the Covid-19 year) since fiscal 2015.

Stevedoring Services Limited ("SSL") performed better than last year, but not as well as projected, and with EEA's poor financial performance, this put the consolidated Company in a loss position.

SSL is a barometer of Bermuda's economic situation. Although SSL achieved a profit, container and break bulk (cargo not in a container) is well below what we saw prior to Covid-19.

One just needs to walk on the dock on any day of the week and it is evident that the majority of break bulk bays are empty, even after a three-boat week.

This is quite the opposite of my early years when the volume and mix of cargo was much higher.

The SSL staff continue to do an incredible job. Not only are they efficient, but they put safety at the forefront of what they do and this is evident in our damage claim and incident statistics.

It is unfortunate that the public does not get to see the teamwork and pride they exhibit in tackling any challenge that the job thrusts upon them.

Within that team, I must highlight the Garage staff. These young Bermudian men, below the age of 30, are an example of what is possible when you invest in and nurture our young people. I doubt there is anywhere in Bermuda that boasts responsibility for its major assets to the care of such a young team. The four J's (Jahquan, Jerome, Jarrell and Jakaya) fall under the leadership of Advantage Fleet Auto. Their growth and maturity over such a short period has been tremendous. They have earned the

> **Although SSL achieved a profit, container and break bulk (cargo not in a container) is well below what we saw prior to Covid-19.**
>
> **Warren Jones,** CEO, Director

respect of the entire SSL team and it gives me immense pride to watch them work.

Notwithstanding its present financial performance, I am still of the belief that EEA is poised for success. The right people are in place, we have made the necessary investment in the infrastructure to ensure consistency and predictability within the plant, and the staff take pride in what they do, provide excellent customer service and produce a great finished product.

No one could have predicted Covid-19 and the resultant economic downturn. In this fiscal year, the lack of on-Island construction activity affected EEA. Key to EEA's success is partnerships with the Government and the Corporations of Hamilton and St. George. While EEA did limited work for the Corporations, nothing was forthcoming from the Government. We have since done a significant amount of work to raise our profile with the Government. Better days are ahead and a mutually beneficial relationship is beginning to flourish.

In conclusion, leading Polaris has been the most satisfying period of my professional career. I will leave with many happy memories and a deep sense of pride. The good times outweighed the difficult times.

I worked very closely with Chairwoman Cheryl Hayward-Chew, in whom I have developed the utmost respect. I enjoyed a great relationship with a Board that challenged me, but always gave me its full support. Being part of a Management Team that consistently achieved its mandate without compromising its mission to do the right thing, at the right time, for the right reasons was a privilege. I must also thank each of you, the employees, because none of this would have been possible without your devotion and expertise.

Polaris has been a fantastic place to work. I will be watching its progress and cannot imagine driving into Hamilton knowing that I will no longer play an active part in this fantastic organization.

Thank you to every member of the team for letting me into your life and letting me share mine with you.

Warren Jones
CEO, Director

COMMITTEE REPORTS FROM THE BOARD

The Audit And Risk Management Committee Report

The Audit and Risk Management Committee's ("ARMC") mandate is "to assist the Board with its responsibility for overseeing the integrity of the financial statements, the financial reporting process, internal accounting and financial controls, the engagement and evaluation of independent auditors and compliance with legal and regulatory bodies and their requirements."

The members of the ARMC are Ms. Tracy Berkeley, Mr. Wayne Caines, Mr. Jeff Conyers, Mr. Paul Hubbard (independent) and it is chaired by Mr. Howard Pitcher. Currently the committee meets once quarterly and as needed to review urgent matters.

The ARMC makes recommendations to the Board regarding the independent auditor, monitors the statutory audit, reviews its findings and ensures implementation of the independent auditor's recommendations. The ARMC also reviews and ensures the accuracy of the Company's internal reporting and accounting controls, including the quarterly compliance certificate and the business continuity plan.

The ARMC diligently conducts periodic reviews of the risk registry to ensure its continual updating and maintenance as a comprehensive inventory of potential scenarios the Company may encounter. As we turn our gaze towards the future, the committee eagerly anticipates collaborating with the newly appointed Chief Executive Officer. Looking ahead, privacy shall occupy a prominent position in our discussions, particularly in light of the forthcoming implementation of the Personal Information Protection Act, slated for January 2025. This development necessitates a meticulous examination of how Polaris handles sensitive data moving forward.

The Nomination And Corporate Governance Committee Report

The Nomination and Corporate Governance Committee ("NCGC") mandate is "to oversee the composition, independence, structure, practices and evaluation of the Board and its committees and play a leadership role in shaping the corporate governance of the Company." The NCGC is guided by the UK Corporate Governance Code.

The members of the NCGC are Mr. Wayne Caines, Ms. Tammy Richardson-Augustus, Mr. Howard Pitcher and it is chaired by Ms. Cheryl Hayward-Chew.

In this past fiscal year, the NCGC provided oversight of the June 2022 strategic planning session, formed the Registry of Directors' Interests and recommended the appointment of Ms. Tracy Berkeley to the Audit and Risk Management Committee.

The NCGC is tasked with confirming the Company's independent directors as defined by the UK Corporate Governance Code. The independent directors are Mr. Hubbard, Ms. Richardson-Augustus and Ms. Berkeley.

The Investment Committee Report

The Investment Committee ("IC") mandate is to support the Company's investment strategy by ensuring that "a prudent framework exists in relation to investment activities. More specifically, the IC mandate is to adhere to the financial objectives set in the Strategic Action Plan adopted by the Board", which seeks to balance risk while striving for a return on equity of 12.0% or better."

The IC is comprised of Mr. Jeffrey Conyers, Ms. Tammy Richardson-Augustus, Mr. Paul Hubbard, and it is chaired by CEO Mr. Warren Jones. The IC is supported by acting Vice President of Finance Mr. Todd Boyd and by appropriate professional advisors (as necessary).

As a deliverable out of a Board Strategic Offsite, the CEO was tasked with the sale of Mill Reach Holdings Ltd.'s two properties (situated at 7 and 11 Mill Reach Lane) and the acquisition of 8 Duck's Puddle Drive, the home of the EEA plant. The IC was integral in providing advice and approving the business case and negotiating positions for the three properties. The sales and purchase transactions successfully closed in April 2023. The associated financial effects of such property transactions will hit the present year financial statements in quarter one.

The IC keeps under review the financial situation of EEA given the significant investment made by Polaris in that subsidiary. Business conditions remain challenging given the severe downturn in the construction section prompted by rising interest rates.

The Human Resource And Compensation Committee Report

The Human Resource and Compensation Committee ("HRCC") mandate is "to ensure that the human resource and compensation practices support the successful recruitment and retention of executive talent and employees that are capable of achieving the corporate business objectives."

The members of the HRCC are Ms. Tammy Richardson-Augustus, Mr. Howard Pitcher, Ms. Tracy Berkeley, and it is chaired by Ms. Cheryl Hayward-Chew, working closely with Mr. Warren Jones in his capacity of CEO.

Succession planning to replace the retiring CEO was at the forefront of the HRCC's efforts. The recruitment process yielded several highly qualified candidates with Mr. Randolph "Randy" Rochester appointed to the role.

Amongst key policy decisions, the HRCC approved the implementation of a Training Policy for SSL. This was a long time coming, and finally addresses the inconsistency and perceived favouritism that has been a criticism of management by staff going back several years. Short-term disability coverage for the staff was introduced and a discretionary gratuitous compassionate pay policy was established to allow consideration for longer-term illness within specific boundaries.

The HRCC again provided oversight and advice to the CEO regarding the Court of Appeal matter between SSL, the Minister of Labour and the Bermuda Industrial Union, finally heard in June of this year.

The HRCC continued oversight of the Employee Share Purchase Plan in its second year with 17 staff having taken advantage of the opportunity to own a stake in the Company since its inception.

MANAGEMENT TEAM

Warren Jones
Chief Executive Officer
Polaris Holding Company Ltd.

Linda Amaral
Comptroller
Polaris Holding Company Ltd.

Aloma Musson
Administration Manager
Polaris Holding Company Ltd.

Paul Moniz
Operations Manager
Stevedoring Services Limited

Travis Gilbert
General Manager
East End Asphalt Company Limited

Ockert Hansen
Superintendant
East End Asphalt Company Limited

Liaqat Hussain
Controller
East End Asphalt Company Limited

Nievah Harvey
Operations Assistant
East End Asphalt Company Limited

POLARIS HOLDING COMPANY LTD. - FINANCIAL SUMMARY

Fiscal Year End (Dollar Amounts in Thousands)	2017 31, March	2018 31, March	2019 31, March	2020 31, March	2021 31, March	2022 31, March	2023 31, March
20-foot Equivalent Container Moves	36,806	37,906	37,425	37,504	34,331	34,217	35,198
Stevedoring Revenue	$10,954	$11,921	$11,563	$11,868	$10,803	$11,154	$11,410
East End Revenue				3,263	2,725	4,662	3,974
Total Comprehensive Profit (Loss) for the Year	1,361	1,299	801	168	(511)	1,134	(482)
Earnings Per Share	1.15	1.10	0.68	0.14	(0.43)	0.95	(0.41)
Shareholders' Equity	10,089	11,020	11,442	11,250	10,738	11,431	10,486

POLARIS HOLDING COMPANY LTD. [CONSOLIDATED]

Polaris' consolidated results for the year ended March 31, 2023 reflected a loss of ($482K) [fiscal 2022 – profit of $1.13 million].

At the start of fiscal 2024, the Company negotiated the acquisition of 8 Duck's Puddle Drive, Hamilton Parish, a 2.55 acre waterfront property which houses the operations of its wholly owned subsidiary EEA.

In addition to Stevedoring Services Limited and EEA, Polaris owned and operated two rental properties under its wholly owned division Mill Reach Holdings Limited ("MRH").

To finance the purchase of 8 Duck's Puddle Drive, at the start of fiscal 2024, Polaris sold MRH's two rental properties - 7 and 11 Mill Reach Lane, in Pembroke, which is therefore shown as a discontinued operation in the financial statements

As part of the above restructuring, EEA's long-term lease at 8 Duck's Puddle Drive will cease. Changes in that lease accounting, and the gains on the sale of Mill Reach Lane, will give rise to over $1.0 million in net profits, in April 2023.

For the year ended March 31, 2023 the Company wrote down ($1.1 million) in goodwill, associated with EEA, but due to a timing issue the $1.1 million charge reflected in fiscal 2023 unfortunately was not offset by the over $1.0 million in net income which will be booked at the start of fiscal 2024.

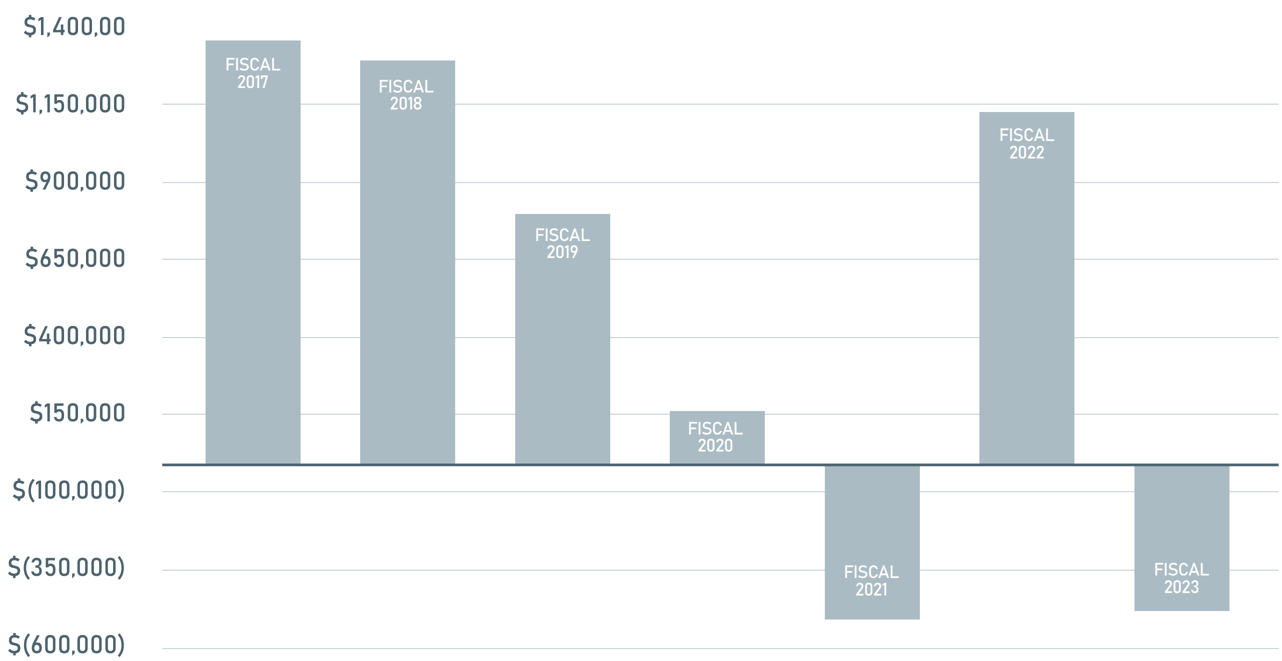
While Polaris reported a loss of ($482K) or ($0.41 per share), after backing out the non-cash goodwill adjustment, consolidated profits were $618K.

The Company reflected softness in its EEA division in fiscal 2023, the result of limited capital redevelopment on island. EEA booked a loss of ($285K), vs fiscal 2022's gain of $185K. The long-term forecast for EEA continues positive, and the acquisition of its operating property will ensure the division controls its destiny.

SSL continues to prove financially successful, generating a $710K profit in fiscal 2023 [fiscal 2022 - $690K], 2.9% improved from the prior year. MRH, while providing only $32K in net profits for fiscal 2023 [fiscal 2022 - $36K], had its bottom line pushed down by non-cash amortization. From a cash flow perspective, the property division added $120K in inflows to Polaris in fiscal 2023.

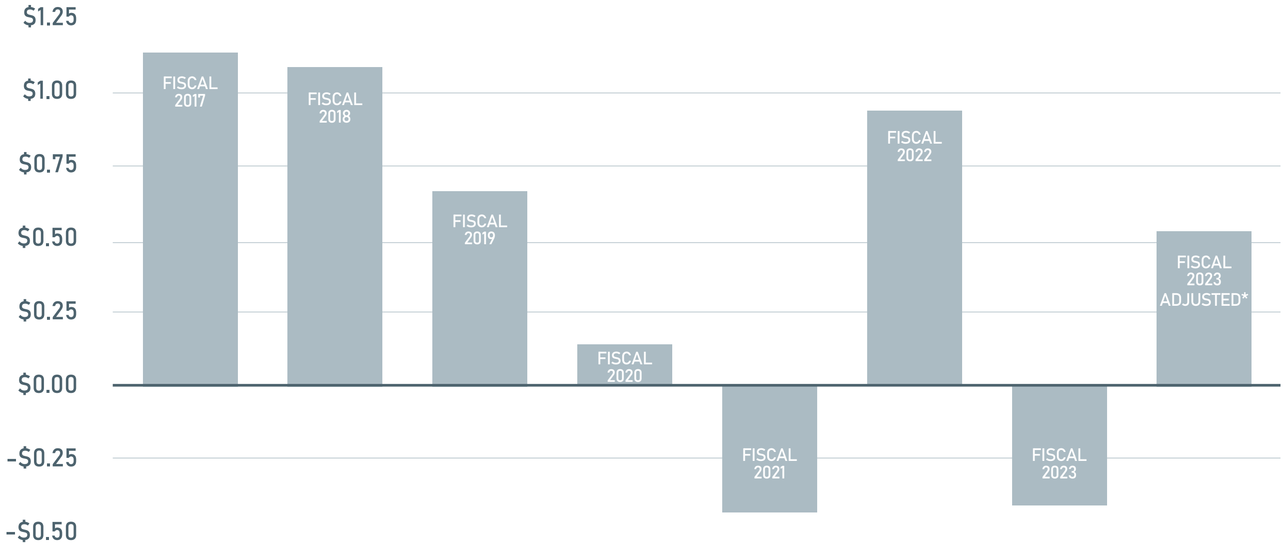
The Company generated $652K in positive consolidated inflows from operating and investing activity [$2,663,758 less $2,011,616] in fiscal 2023. Its $618K in consolidated net profits (before it's goodwill adjustment), and the $652K in operating and investing activity cash flow, provided sufficient funding to facilitate the Company holding to its $0.10 per share per quarter, $475K per year dividend, as well as allowing Polaris to repay $274K of its bank loan. The Company did this and cash floated a $650K deposit on the Duck's Puddle acquisition, with cash at year-end still holding above $2.25 million.

Consolidated Net Income (Loss)



Earnings (Loss) Per Share

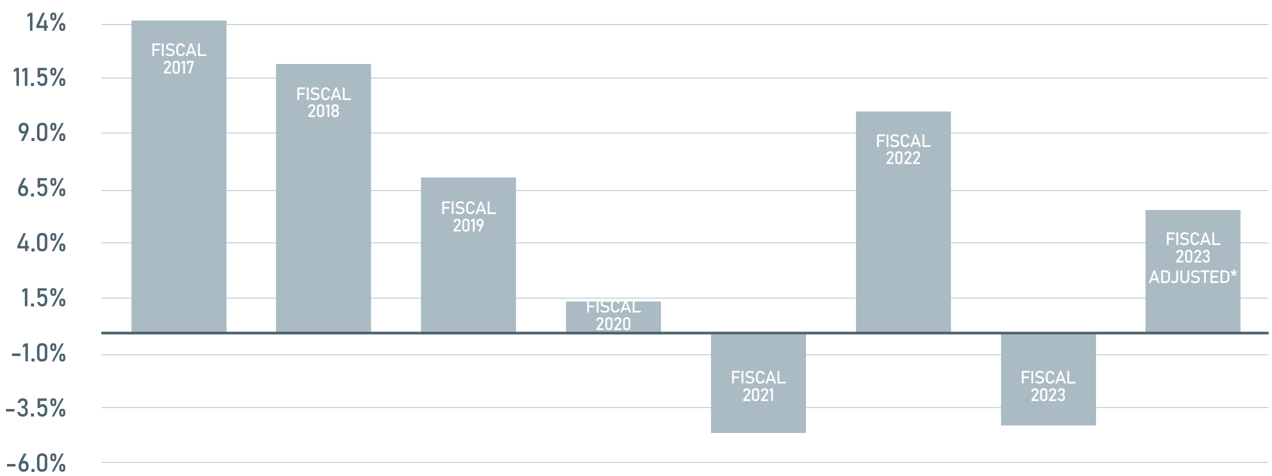
As a result of the goodwill write down, the fiscal 2023 loss per share was ($0.41), down from prior year's $0.95 per share gain. Excluding the goodwill write down, the fiscal 2023 adjusted earnings per share was $0.53.



* Adjusted: fiscal 2023 net profits, exclusive of a $1.1 million goodwill adjustment

Return on Equity

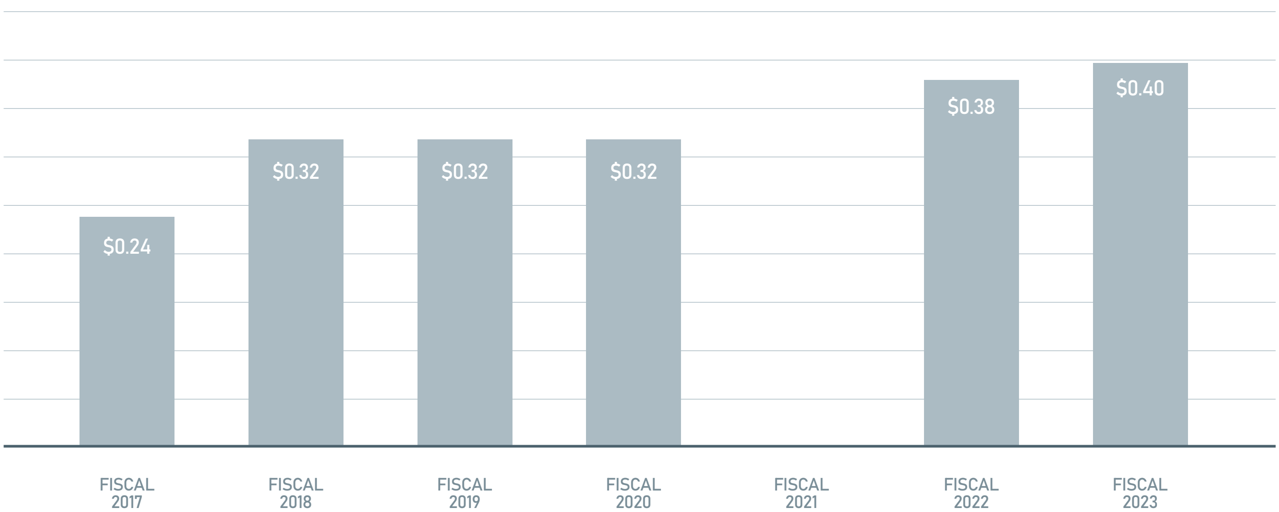
Return on equity was negative (4.4%) due to the loss [fiscal 2022 – 10.2%]. The Board's long-term goal is a 12.0% or better return on equity. Measured against adjusted net profits, ROE was 5.6%.



* Adjusted: fiscal 2023 net profits, exclusive of a $1.1 million goodwill adjustment

Dividends

Dividends, which were suspended in fiscal 2021 due to losses, were re-established in June 2021 at $0.08 that quarter, moving to $0.10 per quarter in September 2021, where they have remained for the past 11 quarters, including the budgeted September 2023 dividend.



Great works are performed, not by strength, but by perseverance

Samuel Johnson

STEVEDORING SERVICES LIMITED

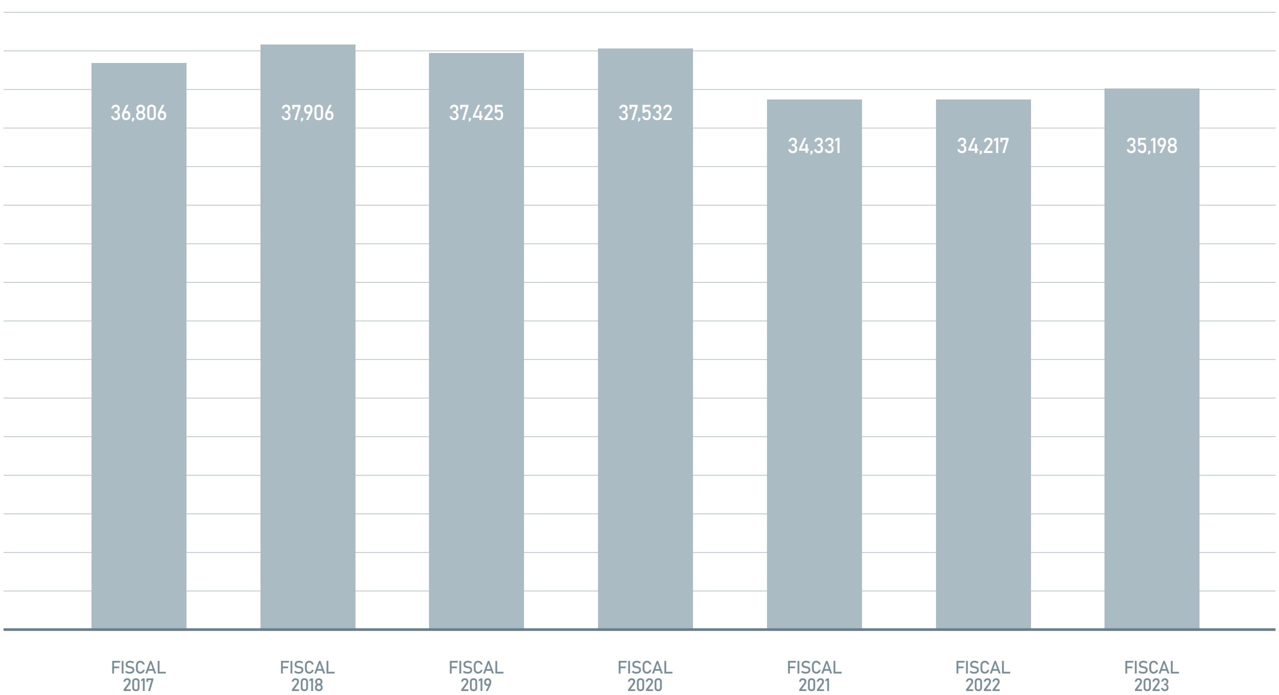
Revenue

Revenue for the year totaled $11.41 million [fiscal 2022 - $11.15 million], up $256K or 2.3% from prior year.

TEU Volume

The year's twenty foot equivalent ("TEU") cargo volume of 35,198 [fiscal 2022 – 34,217], grew 2.9% from fiscal 2022.

Twenty Foot Equivalent Unit (TEU) Moves



Rates

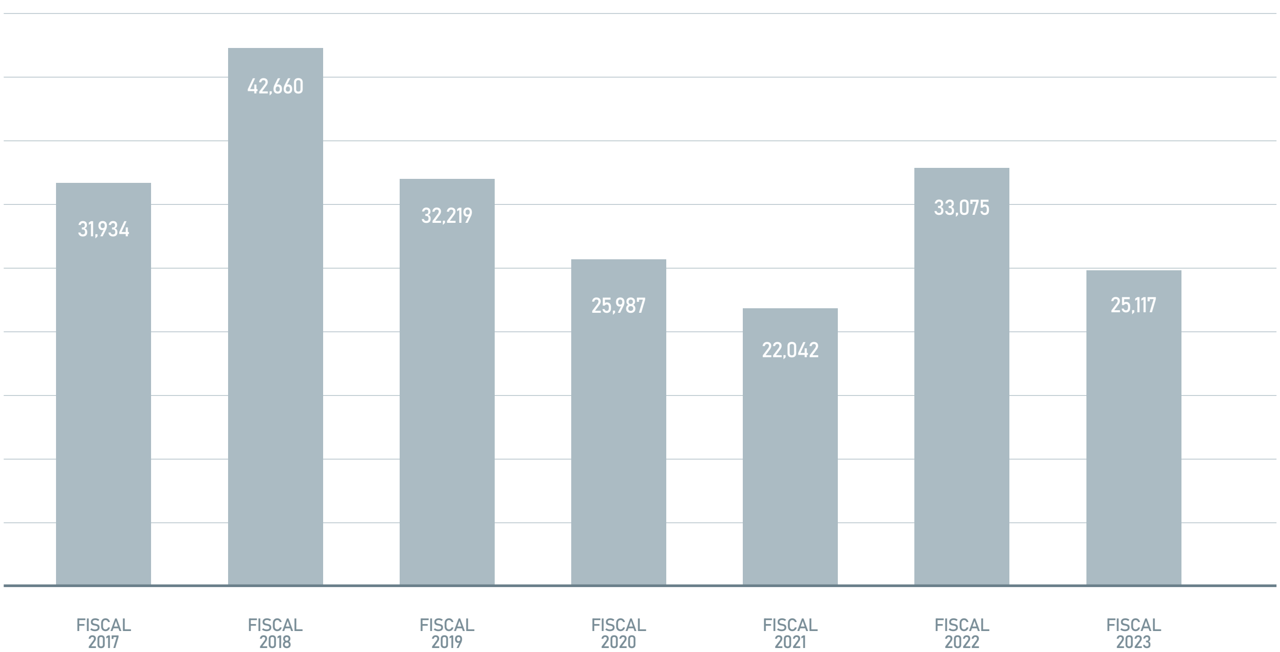
In addition to the 2.9% volume growth, in January 2023, SSL applied to the Corporation of Hamilton and was granted a 3.0% rate increase on all rates, exclusive of the terminal handling charges, which are under the Port Authority after consultation with the Minister of Finance. Inflation was running at 4.1% as at December 31, 2022.

In the prior year, with inflation for the 12 months ended December 31, 2022 at 1.5%, SSL was granted an across the board 1.0% rate increase.

Break Bulk

Break bulk volume at 25,117 freight tons for the year [fiscal 2022 – 33,075] was anticipated to decline relative to fiscal 2022's strong showing, but the softening was more than anticipated, with volume down (24.1%) vs. the prior year; largely due to the lack of construction and investment on the island. Due to the mix of break bulk cargo year over year, revenue fell (20.8%).

Break Bulk Moves (in Freight Tons)



Minimum Service Level Agreement ("MSLA")

Overtime revenue would have been greater, but SSL gave back $27K in MSLA overtime revenue in fiscal 2023 [fiscal 2022 - $17K] due to not meeting minimum service level requirements for nine of the 127 sailings during the year. For 118 freight ship arrivals, representing 92.9% of the year's voyages, SSL's productivity exceeded 32 TEUs per hour, and no credits were required.

	Freight Voyages	Voyages With MSLA Credits	Voyages Without MSLA Credits	Cost Of MSLA Credits	MSLA Avoidance Rate
Fiscal 2022	134	7	127	$17,143	94.8%
Fiscal 2023	127	9	118	$26,659	92.9%

SSL Expenses

Overall SSL spending for the year, at $10.70 million [fiscal 2022 - $10.46 million], grew 2.3% or $236K from prior year, an uplift which held below the rate of inflation.

Capital Spending

Of the $13.40 million of Polaris' heavy equipment [2022- $14.38 million], the heavy equipment used by SSL, had a cost as at March 31, 2023 of $11.97 million [fiscal 2022 - $12.94 million], down from prior year due to disposals.

After amortization, the Polaris heavy equipment had a year end depreciation book value of $6.06 million [2022 - $6.47 million], which included $4.91 million [fiscal 2022 - $5.07 million] in heavy equipment used by SSL.

Included in the Company's $922K of heavy equipment purchases in 2023 [2022 - $914K], was $738K in capital spending on heavy equipment used by SSL [fiscal 2022 - $458K]. The Company sold two top loaders and its Terex crane, providing added cash flow from the redundant assets, but giving rise to a ($59K) loss on the sales [fiscal 2022 - $nil].

EAST END ASPHALT COMPANY LIMITED

Revenue

Total gross revenue for the year at EEA totaled $3.97 million [fiscal 2022 - $4.66 million] down by ($688K) or (14.7%) from the prior year.

Despite the ($285K) loss, in fiscal 2024 over $425K in prior lease expenses will be brought back into income. The pickup relates to non-cash lease accounting on EEA's property, a charge which while expensed in fiscal 2020 through fiscal 2023, will be eliminated in April 2023 when the Company acquired 8 Duck's Puddle Drive, and the lease on that property ceased.

With revenue forecasted to rise, as the economy begins to show growth, in conjunction with cost containment, EEA is anticipated to find its footing going forward, providing consistent profits after a difficult four years.

MRH

MRH owned and rented out 7 Mill Reach Lane and 11 Mill Reach Lane, in Pembroke Parish, a 0.9 acres or 39,204 square foot property including a large building of approximately 3,743 square feet, a facility of approximately 1,850 square feet, and a small carpenter shop.

The two properties were subdivided in fiscal 2023 and subsequent to year-end they were sold to the two main tenants for a collective $1.85 million. Net of legal and other closing costs this will give rise to a $601K gain on sale. Because the sale occurred subsequent to year-end, the gain will be recorded in April 2023.

In fiscal 2024, MRH will be dissolved and as such the division was reported as a discontinued operation in the current financial statements.

Capital Expenditures

In the fiscal year 2023, EEA made a significant investment of $391K in the Asphalt Plant and equipment. Spending was lower than the $805K investment made in fiscal 2022.

The plant was out of service for the entire month of December 2022 and the first two weeks of January 2023 for a planned major overhaul, but when back online in January, operated more efficiently than it had in more than a decade.

CONNECTING WITH OUR COMMUNITY

Eastern Counties

Polaris continued its long association with the Eastern Counties. This relationship was initially an annual social gathering for the SSL staff, however over the years this has become a staple family event for the three matches.

Through its subsidiaries EEA and SSL, Polaris has become a major sponsor of the event and regularly sponsors the radio broadcast, man of the match and man of the series awards and most importantly, the Junior Eastern Counties competition.

The Bailey's Bay Community Initiative

The EEA tagline is "Connecting Communities", and in addition to demonstrating this idea throughout Bermuda, they also manifest this principle within the Bailey's Bay Community, within which the asphalt manufacturing plant is located.

EEA believes that one of the most important measures of a company's value is the positive impact it has on the community it serves. This is why EEA consistently works with its partners the Bailey's Bay Cricket Club and Duck's Puddle Condominiums to strengthen that relationship. Over the past year, the community partners focused on environmental safety and health, maintaining the condition of the roadway, the disposal of waste to beautify the environment, and supporting community events.

Edward Cross Long Distance Comet Race

Following the successful broadcast of the Race in 2022, Polaris repeated its sponsorship of this cultural icon. This year had the added benefit of a large fleet including international Skippers on-Island to participate in the North American Comet Championships held during the same week.

Dating back to the 1940's and evolving from Bermuda's segregated past, the Edward Cross Long Distance Comet Race is widely followed on both land and sea. Polaris takes great pride in being able to provide commentary and expert technical insight to the listening public.

RECOGNITION & REWARDS

WISTA recognises SSL & donates to Endeavour

WISTA Bermuda celebrated the "stellar services" of Stevedoring Services Limited and also donated $1300 toward the 2024 Endeavour Maritime Career Springboard Programme.

WISTA Bermuda, a networking organization whose mission is to support women at the management level in the maritime industry, held an award reception on 14 June 2023 to recognise organizations making a positive mark in Bermuda's shipping and trading industry.

It is a strategic imperative of WISTA Bermuda to champion organizations that have a demonstrable impact on Bermuda's shipping sector. To this end, as part of its annual social giving, WISTA Bermuda recognized both SSL and the Endeavour charitable organization.

SSL workers receiving WISTA award for "stellar services"

Heather Cooper, director and president of WISTA Bermuda, presenting a cheque of $1300 to Endeavour.

GOLF

EEA renewed its relationship with Belmont Hills Golf Course and once again, along with SSL staff, Polaris staff and their guests, enjoyed playing golf in return for services provided.

Long Service Awards

The Annual Long Service Awards Ceremony, held in May at the Bermuda Underwater Exploration Institute, recognized 131 years of service amongst active staff and retirees:

5 YEARS

- Clevaughn Darrell
- John Miranda

10 YEARS

- Cavin Burchall

20 YEARS

- Trevor Smith

RETIREES

Mr. Sherman Hill
(35 Years)

Mr. Leroy Bluefort
(24 Years)

Mr. Tracy Bean
(23 Years)

Mr. Warren Jones
(9 Years)

Long Service Award Reception









Polaris Holding Company Ltd. Education Award (PHCLEA)

The PHCLEA assists children of Polaris' employees to further their education either in Bermuda or abroad. This Award of $2,500 is presented annually and may be continued for up to four years.

Ms. Zyon Minors, the daughter of Mr. Otis Minors, a Foreman at Stevedoring Services Limited was the 2023 recipient. Ms. Minors is attending the University of North Carolina, Greensboro and is pursuing a Bachelor of Science degree in Nursing.

CONSOLIDATED FINANCIAL STATEMENTS

(With Independent Auditor's Report Thereon)

MARCH 31, 2023

The accompanying report of KPMG Audit Limited ("KPMG") is for the sole and exclusive use of Polaris Holding Company Ltd. (the "Company"). No person, other than the Company, is authorized to rely upon the report of KPMG unless KPMG expressly so authorizes. Furthermore, the report of KPMG is as of August 1, 2023 and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.

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Hamilton
HM 08
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Polaris Holding Company Limited

Opinion

We have audited the consolidated financial statements of Polaris Holding Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How the matter was addressed in our audit**
Goodwill impairment assessment ***See Notes 3(h) and 15 of the consolidated financial statements for details of the goodwill impairment*** As at March 31, 2022 goodwill arising from the acquisition of East End Asphalt Limited ("EEA") was $1,100,000. During the year ended March 31, 2023 the directors performed an impairment assessment and concluded that the goodwill was impaired. The goodwill impairment assessment is an area of requiring significant judgement. This results in an increased risk of error due to estimation uncertainty. The directors prepared a discounted future cash flow forecast	We evaluated internal future cashflow forecasts for the EEA CGU and the process by which they were developed. We compared previous forecast to actual results to assess the performance of the CGU and the accuracy of internal forecasting and assessed explanations received by reference to our cumulative audit knowledge and also obtained support for deviations from previous forecasts. We tested the Group's calculations for accuracy and the judgements and

to assess whether an impairment charge should be recorded in respect of the EEA cash generating unit ("CGU"). The most significant judgements and assumptions used related to: • Projected cashflows from revenue and expense growth /contraction; • discount rate; and • projected levels of capital expenditure to maintain the assets of the CGU in their current condition and use. The directors concluded that the goodwill was impaired and an impairment charge of $1,100,000 should be recorded to write down goodwill to $nil.	assumptions that supported the directors' conclusions that goodwill was impaired as follows: • We evaluated the valuation techniques, assumptions and data used by the directors to make their accounting estimates (and range thereof) used for calculation of the CGU's value in use by reference to internal and external supporting documentation. • We evaluated the appropriateness and likelihood of the sensitivities and their impact on the overall impairment test outcome and assessed whether additional sensitivity analysis would have been appropriate in light of our cumulative audit knowledge. • We evaluated whether judgements and decisions made by the directors when measuring recoverable amount are indicators of possible 'management bias'. Specifically we evaluated the assumptions made in arriving at the internally developed operating budget and cashflow forecasts for EEA based on historical results and actual performance against budget, and externally available information including current and recent Bermuda inflation rates. • We compared the discount rate used of 10.4% to the Group's internal weighted average cost of capital and our independent assessment of the rate of return required by an external investor based on market data. • We compared the projected levels of capital expenditure to maintain the CGU's property, plant and equipment in its current condition and use over the forecast period against internal capital expenditure budgets and historic actual capital expenditure. There was no material exceptions or contradictory information as a result of the procedures performed.

Other information

Management is responsible for the other information. The other information comprises the annual report to shareholders but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Engagement Partner on the audit resulting in this independent auditor's report is Stephen Woodward.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
August 1, 2023

Consolidated Statement of Financial Position

March 31, 2023 and 2022 *(Expressed in Bermuda Dollars)*

	2023	2022
Assets		
Non-current assets		
Goodwill (Note 15)	$ –	$ 1,100,000
Investment property (Note 7)	–	1,303,977
Property, plant and equipment (Notes 8 and 9)	13,536,409	13,746,125
Total non-current assets	13,536,409	16,150,102
Current assets		
Cash and cash equivalents (Note 10)	2,252,480	2,685,117
Accounts receivable (Notes 18 and 21)	1,162,724	1,388,094
Inventory (Note 11)	749,637	502,888
Prepaid expenses	848,064	127,386
Asset held for sale – investment property (Note 7)	1,216,618	–
Total current assets	6,229,523	4,703,485
Total assets	$ 19,765,932	$ 20,853,587
Liabilities		
Non-current liabilities		
Long term debt (Note 14)	$ 2,713,601	$ 2,970,467
Accrued expenses	107,352	107,701
Lease liabilities (Note 9)	4,098,940	4,108,214
Total non-current liabilities	6,919,893	7,186,382
Current liabilities		
Accounts payable and accrued expenses (Note 21)	1,777,585	1,445,531
Long-term debt – current portion (Note 14)	270,136	287,432
Lease liabilities (Note 9)	20,497	219,465
Unearned revenue (Note 6)	291,643	283,590
Total current liabilities	2,359,861	2,236,018
Total liabilities	9,279,754	9,422,400
Equity		
Share capital (Note 16)	1,189,787	1,188,302
Share premium (Note 16)	44,825	34,052
General reserve (Note 17)	1,250,000	1,250,000
Retained earnings	8,001,566	8,958,833
Total equity attributable to the Company's shareholders	10,486,178	11,431,187
Total liabilities and equity	$ 19,765,932	$ 20,853,587

The accompanying notes are an integral part of these consolidated financial statements

Signed on behalf of the Board

Cheryl Hayward-Chew Director

Warren W. Jones Director

Consolidated Statement of Financial Position

March 31, 2023 and 2022 *(Expressed in Bermuda Dollars)*

	2023	2022*
Revenue		
Stevedoring revenue (Notes 6 and 18)	$ 11,409,895	$ 11,153,521
Stevedoring expenses (Notes 12 and 13)	(6,819,349)	(6,524,952)
Stevedoring gross profit	4,590,546	4,628,569
East End Asphalt revenue (Note 6)	3,974,281	4,661,901
East End Asphalt expenses (Note 11)	(2,764,223)	(3,143,484)
East End Asphalt gross profit	1,210,058	1,518,417
Total income	5,800,604	6,146,986
Expenses		
Professional fees (Note 18)	593,945	609,128
Loss on disposal of property, plant and equipment	59,176	–
Information technology and telecommunication (Note 18)	271,540	242,579
Impairment loss on trade receivable (Note 21)	–	4,500
Impairment of goodwill (Note 15)	1,100,000	–
General and administrative expenses	745,271	604,443
Depreciation (Note 8)	1,255,089	1,291,824
Administrative salaries, wages and benefits (Notes 12 and 13)	1,870,836	1,912,849
Total expenses	5,895,857	4,665,323
Results from operations	(95,253)	1,481,662
Finance expense (Notes 9 and 14)	(425,058)	(390,063)
Net (loss) profits from continuing operations	$ (520,311)	$ 1,091,599
Net profit from discontinued operations (Note 7)	38,410	41,980
Net (loss) profit for the year (attributable to owners of the Company)	$ (481,901)	$ 1,133,579
Earnings per share:		
Net (loss) earnings per share – basic (Note 19)	$ (0.41)	$ 0.95
Net (loss) earnings per share – fully diluted (Note 19)	$ (0.41)	$ 0.95
Earnings per share − continuing operations:		
Net (loss) earnings per share – basic (Note 19)	$ (0.44)	$ 0.92
Net (loss) earnings per share – fully diluted (Note 19)	$ (0.44)	$ 0.92

All items included in the consolidated statement of comprehensive income relate to continuing and discontinuing operations. There are no other components of comprehensive income.

*The comparative information is re-presented due to a discontinued operation and change in classification (Note 7), and the impairment loss on trade receivable has been shown separately from general and administrative expenses.

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity
For the years ended March 31, 2023 and 2022
(Expressed in Bermuda Dollars)

	Share capital	Share premium	General reserve	Retained earnings	Total equity
Balance at April 1, 2021	$ 1,187,132	$ 24,750	$ 1,250,000	$ 8,276,599	$ 10,738,481
Total comprehensive income:					
Profit for the year	–	–	–	1,133,579	1,133,579
Transactions with owners of the Company recognized directly in equity:					
Shares issued (Note 16)	1,170	9,302	–	–	10,472
Dividends declared and paid (Note 16)	–	–	–	(451,345)	(451,345)
Balance at March 31, 2022	$ 1,188,302	$ 34,052	$ 1,250,000	$ 8,958,833	$ 11,431,187
Total comprehensive income::					
Loss for the year	–	–	–	(481,901)	(481,901)
Transactions with owners of the Company recognized directly in equity:					
Shares issued (Note 16)	1,485	10,773	–	–	12,258
Dividends declared and paid (Note 16)	–	–	–	(475,366)	(475,366)
Balance at March 31, 2023	$ 1,189,787	$ 44,825	$ 1,250,000	$ 8,001,566	$ 10,486,178

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

For the years ended March 31, 2023 and 2022
(Expressed in Bermuda Dollars)

	2023	2022
Operating activities		
(Loss) profit for the year	$ (481,901)	$ 1,133,579
Adjustments for:		
Depreciation	1,583,498	1,537,328
Depreciation of heavy equipment parts	677,058	692,281
Depreciation of investment property	94,658	94,658
Impairment of goodwill	1,100,000	–
Net finance expense	425,058	390,063
Loss on disposal of property, plant and equipment	59,175	–
Changes in non-cash working capital balances:		
Accounts receivable	225,370	(54,499)
Inventory	(246,748)	(161,676)
Prepaid expenses	(720,679)	16,078
Accounts payable and accrued expenses	314,260	270,236
Unearned revenue	8,053	(450,771)
Net cash provided by operating activities	3,037,802	3,467,277
Investing activities		
Purchase of property, plant and equipment	(2,280,007)	(1,684,891)
Purchase of investment property	(7,299)	–
Proceeds on disposal of property, plant and equipment	170,000	–
Net cash used in investing activities	(2,117,306)	(1,684,891)
Financing activities		
Repayment of long-term debt	(274,162)	(272,014)
Dividends declared and paid	(475,366)	(451,345)
Proceeds from shares issued	12,258	10,472
Payment of lease liabilities	(190,805)	(602,564)
Interest paid	(425,058)	(177,696)
Net cash used in financing activities	(1,353,133)	(1,493,147)
(Decrease) increase in cash and cash equivalents	(432,637)	289,239
Cash and cash equivalents at beginning of year	2,685,117	2,395,878
Cash and cash equivalents at end of year	$ 2,252,480	$ 2,685,117

The accompanying notes are an integral part of these consolidated financial statements

1. General

Polaris Holding Company Ltd. (the “Company” or “PHC”) was incorporated on January 24, 2011 under the laws of Bermuda. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton, Bermuda. The Company was created to facilitate the restructuring of the Stevedoring Services Limited (“SSL”) group by way of a court approved Scheme of Arrangement (the “Scheme”). The Scheme was the vehicle by which the shares of SSL were transferred to PHC on the same basis as they were held in SSL, and these new shares replaced the shares of SSL listed on the Bermuda Stock Exchange. There is no ultimate controlling party.

The Company is the holding company for the group of companies which comprise of SSL, Equipment Sales and Rentals Limited (“ESR”), East End Asphalt Company Limited (“EEA”) and Mill Reach Holding Company Limited. (“MRH”). All subsidiaries are wholly owned and incorporated under the laws of Bermuda. The Scheme became effective on March 28, 2011 after shareholder and Supreme Court approval. The group restructuring was accounted for as a combination of entities under common control with transfers being recorded at their carrying value.

SSL carries on business as a stevedoring company. In March 2016, this subsidiary was awarded a five-year terminal operator’s license by the Corporation of Hamilton to function on the Hamilton docks from March 1, 2016 to February 28, 2021. The license was extended by one year on August 4, 2020, with a further four year extension signed on May 20, 2022, bringing the expiry to February 28, 2026.

ESR carries on the business of purchasing and leasing heavy operating machinery and equipment. MRH owned investment property at Mill Reach Lane, Pembroke, Bermuda which was sold in April 2023, as described in Note 7, and in subsequent events.

The Company acquired EEA on March 14, 2019. EEA carries on business as an asphalt manufacturing and paving company (Note 15).

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board.

The consolidated financial statements were authorized for issue by the Board of Directors on August 1, 2023.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in Bermuda dollars, which is the Company’s functional currency.

2. Basis of preparation (continued)

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions about future considerations. The use of available information and the application of judgment are inherent in the formation of estimates; actual results in the future may differ from estimates upon which financial information is prepared. Revisions to accounting estimates, if any, are recognized in the period in which the estimate is revised and in any future periods affected. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty, are set out in the following notes:

- Note 3(h) – impairment of non-financial assets
- Note 3(p) – assumptions made in the determination of the incremental borrowing rate
- Note 3(p) – lease term; whether the Company is reasonably certain to exercise extension options

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements include the balances and results of operations of the Company and its wholly owned subsidiaries (together referred to as the “Group”). All significant inter-company transactions and balances are eliminated on consolidation.

3. Significant accounting policies (continued)

(b) Revenue recognition

Stevedoring revenues include stevedoring and dock handling revenues, and are recognized in the accounting period in which the services are rendered which is generally at the point when freight is unloaded from vessels.

Performance obligations and revenue recognition policies

The Group recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Revenue stream	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Containers	Containers revenue is based upon the completion of the discharging and backloading process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied being the point when freight is unloaded from the vessels.
Break Bulk / Loose Cargo	Break bulk and loose cargo revenue is based upon the completion of the discharging and backloading process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.
Labour Surcharges	Labour surcharge revenue, while working overtime, is based upon the completion of the labour work process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.
Line Handling	Line handling revenue is based upon the completion of the vessel tie up process. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.
Terminal Handling Charges	Terminal handling charge revenue is based upon the handling and discharging of cargo leaving the docks. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied.

3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Performance obligations and revenue recognition policies (continued)

Revenue stream	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Port Storage Fees	Port storage fee revenue is based upon the storage of cargo at the docks. The performance obligation is the completion of this process. Payment is due on collection.	Revenue is recognized over time as the performance obligation is satisfied.
Paving	Paving revenue is based on the asphalting of roads and driveways. The performance obligation is the completion of this process. Payment is net 30 days.	Revenue is recognized over time on a monthly basis, based on the stage of completion.
Aggregate and Asphalt Sales	Aggregate and asphalt sales revenue is based on the acquisition of the material by customers. The performance obligation is the transfer of goods to the customer. Payment is net 30 days.	Revenue is recognized at a point in time when the performance obligation is satisfied based on the cost-to-cost method.

Rental income

Rental income is recognized as revenue on a straight-line basis over the term of the lease.

(c) Investment income

Investment income comprises interest on bank deposits. Interest income is recognized on the accruals basis using the effective interest method.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset and include capitalized borrowing costs. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. Improvements to leased premises are capitalized and depreciated over the remainder of the related lease period. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). Items of property, plant and equipment are depreciated from the date that they are ready for use.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

The estimated useful lives of significant items of property, plant and equipment are as follows:

Buildings and building improvements	10 years
Right of use assets (lease term)	5–50 years
Plant	25 years
Furniture and fixtures	3-5 years
Computer equipment	3-10 years
Vehicles	5 years
Cranes and heavy equipment	5-15 years
Light equipment	5 years
Heavy equipment parts	4 years

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Land held as investment property is not subject to depreciation. The buildings are stated at cost less accumulated depreciation and depreciated on a straight-line basis over their estimated useful lives of 10 years. Cost includes expenditure that is directly attributable to the acquisition or construction of the investment property. The fair value of investment property is disclosed in Note 7 to these consolidated financial statements. The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

(f) Assets held for sale and discontinued operations

Discontinued operations are reported when a component of the Company, representing a separate major line of business or area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), discontinued operations are reported as a separate element of net income or loss on the consolidated statement of operations and comprehensive income for both the current and comparative periods. When a disposal group is classified as held for sale, assets and liabilities are aggregated and presented as separate line items, respectively, on the consolidated statement of financial position. Comparative periods are not restated on the consolidated statement of financial position. Assets held for sale are not depreciated and are measured at the lower of carrying value and fair value less costs to sell.

(g) Financial instruments

The Company's financial assets comprise of cash and cash equivalents and accounts receivable. The Company's financial liabilities comprise of accounts payable, and long-term debt.

(i) Recognition and initial measurement

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. Accounts receivable are initially measured at the transaction price which reflects fair value. All other financial assets and financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue.

3. **Significant accounting policies** (continued)

(f) *Financial instruments* (continued)

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, the Company determines the classification of its financial assets. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies its financial assets at amortized cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the Company is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset in initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

3. Significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses

The Company's financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

The Company classifies its financial liabilities as other financial liabilities. The Company's financial liabilities are subsequently measured at amortized cost using the effective interest method.

(iii) De-recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the consolidated statement of comprehensive income.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3. **Significant accounting policies** (continued)

(f) *Financial instruments* (continued)

Fair value hierarchy

Accounting standards over fair value measurements *IFRS 13 Fair Value Measurement* defines fair value, establishes a framework for measuring fair value using a three-tier hierarchy of inputs to value the Company's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below:

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including management's own assumptions in determining the fair value of investments)

The availability of observable inputs can vary between financial instruments and is affected by a wide variety of factors, including, for example, the type of investment, the liquidity of markets, and other characteristics particular to the investment. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for financial instruments categorized in level 3 of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The Company does not hold any financial instruments as at March 31, 2023 or 2022 which are required to be disclosed in accordance with the above fair value hierarchy.

(g) *Impairment*

Financial assets

The Company recognizes loss allowances or expected credit losses ("ECLs") on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to 12-month ECLs for cash and cash equivalents that are determined to have a low credit risk at the reporting date and for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables and other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when it is more than 240 days past due.

3. Significant accounting policies (continued)

(g) Impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For financial assets measured at amortized cost the Company applies a simplified approach in calculating the ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on the lifetime ECLs at each reporting date. The Company has established a provision matrix based on its historical loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the issuer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 240 days past due based on historical experience of recoveries of similar assets.

3. Significant accounting policies (continued)

(h) Impairment of non-financial assets

Property, plant and equipment and investment property are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill is tested annually for impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized in profit or loss if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and any risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows the Company considers all cash on hand, deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term deposits with an original maturity of three months or less as equivalent to cash. Cash and cash commitments are used to manage the Group's short term liquidity commitments

(j) Employee benefits

The costs of employee benefits payable in respect of the Company's defined contribution pension plan are charged to the consolidated statement of comprehensive income in the year in which the related services are rendered by the employees. The Company pays fixed contributions to a separate entity and has no obligation to pay further amounts. The Company has committed to providing health insurance costs for certain former officers and employees. The present value of the estimate future obligations payable is recognized in full.

The grant-date fair value of share-based payment arrangements granted to employees under the Company's share option agreement is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards which approximates to the date when the eligible employees exercise their option to subscribe for shares under the stock option plan.

(k) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Bermuda dollars at the rates of exchange prevailing at the consolidated statement of financial position date, while associated revenues and expenses are translated into Bermuda dollars at the actual rates prevailing at the date of the transaction. Resulting gains or losses are recorded in the consolidated statement of comprehensive income.

3. Significant accounting policies (continued)

(l) Taxation

Under current Bermuda law the Company is not subject to income tax on its profits or capital gains. Accordingly, no provision for current or deferred income tax has been made in the consolidated financial statements

(m) Inventory

Inventory is measured at the lower of cost and net realizable value. Provision is made where necessary for obsolete and slow-moving items. The cost of inventory is based on the first-in, first-out principle.

(n) Business combinations

The Company accounts for business combinations using the acquisition method when control is transferred to the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3(h)). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(o) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is not amortized.

(p) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in *IFRS 16 Leases*.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

3. Significant accounting policies (continued)

(p) Leases (continued)

As a lessee (continued)

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate of 5.3% as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renew period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

3. Significant accounting policies (continued)

(p) Leases (continued)

As a lessee (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies *IFRS 15 Revenue from Contract with Customers* to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements of *IFRS 9 Financial Instrument* to the net investment in the lease (see Note 3(g)). The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

4. Changes to significant accounting policies

There were a number of amendments to standards that were effective for periods beginning on or after April 1, 2022 but they do not have a material effect on the Company's consolidated financial statements. These have been listed below:

- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*
- *Annual Improvements to IFRS Standards 2018 – 2020*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)*
- *Reference to the Conceptional Framework (Amendments to IFRS 3)*

5. New standards and interpretations not yet adopted

A number of new or amended standards are effective for annual periods beginning after March 31, 2021 and early adoption is permitted; however, the Company has not early adopted the following new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's consolidated financial statements.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to IAS 8)*
- *IFRS 17 Insurance Contracts (and Amendments to IFRS 17)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*
- *Lease Liability in a sale and Leaseback (Amendments to IFRS 16)*
- *Non-current Liabilities with Covenants (Amendments to IAS 1)*

6. Revenue

	2023	2022
Revenue from contracts with customers – continuing operations	$ 15,384,176	$ 15,815,422
Other revenue		
Rental income – discontinued operations (Note 7)	160,841	160,841
	$ 15,545,017	$ 15,976,263

Unearned revenue is derived from the advance consideration received from customers for projects for which revenue is recognized over time. All unearned revenue of $283,590 as at 31 March 2022 was realized during the year ended March 31, 2023. Unearned revenue of $291,643 deferred as at March 31, 2023 was all received during the year then ended as advance payments.

6. Revenue (continued)

Disaggregation of revenue from contracts with customers

In the following tables, revenue from contracts with customers is disaggregated by major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

	2023		
	SSL	EEA	Total
Major products and service lines			
Containerized and Break Bulk/ Loose Cargo	$ 9,008,848	$ -	$ 9,008,848
Terminal Handling Charges	1,257,593	-	1,257,593
Labour Surcharges	794,854	-	794,854
Line Handling	226,046	-	226,046
Port Storage Fees	122,554	-	122,554
Paving	-	2,989,180	2,989,180
Aggregate asphalt and other sales	-	985,101	985,101
	$ 11,409,895	$ 3,974,281	$ 15,384,176
Timing of revenue recognition			
Products and services transferred over time	$ 122,554	$ 2,989,180	$ 3,111,734
Products and services transferred at a point in time	11,287,341	985,101	12,272,442
Revenue from contracts with customers	$ 11,409,895	$ 3,974,281	$ 15,384,176

	2022		
	SSL	EEA	Total
Major products and service lines			
Containerized and Break Bulk/ Loose Cargo	$ 8,770,503	$ –	$ 8,770,503
Terminal Handling Charges	1,247,942	–	1,247,942
Labour Surcharges	825,628	–	825,628
Line Handling	234,335	–	234,335
Port Storage Fees	75,113	–	75,113
Paving	–	3,151,442	3,151,442
Aggregate asphalt and other sales	–	1,510,459	1,510,459
	$ 11,153,521	$ 4,661,901	$ 15,815,422
Timing of revenue recognition			
Products and services transferred over time	$ 75,113	$ 3,151,442	$ 3,226,555
Products and services transferred at a point in time	11,078,408	1,510,459	12,588,867
Revenue from contracts with customers	$ 11,153,521	$ 4,661,901	$ 15,815,422

7. Assets held for sale – investment property and discontinued operations

Investment property comprised of land and buildings being held in MRH and was depreciated over its estimated useful life. The property was leased to three tenants and earned rental income was $160,841 for the year (2022 - $160,841). During the year ended March 31, 2023 the Group decided to sell its investment property which has therefore been reclassified as an asset held for sale at the reporting date. At March 31, 2023, the future minimum lease payments under non-cancellable leases were receivable as follows:

Less than one year	$	7,641

In April 2023, the Company sold its investment property for $1,850,000. The property had a carrying value of $2,095,537, accumulated depreciation $878,921 and a net book value at March 31, 2023 of $1,216,618 and as MRH has no remaining assets or liabilities, the division will be wound down and discontinued. The investment property has therefore been classified as an asset held for sale. Assets held for sale are not depreciated and are measured at the lower of carrying value and fair value less costs to sell. The fair value of the investment property at March 31, 2023 is considered to be its subsequent selling price of $1,850,000. This measurement would be classified as level 3 in the fair value hierarchy (Note 3 (f)).

Results of discontinued operations

	2023	2022
Revenue		
Rental income	$ 160,841	$ 160,841
Expenses		
Professional fees	2,525	–
General and administrative	25,248	24,203
Depreciation	94,658	94,658
Net profit from discontinued operations	$ 38,410	$ 41,980

7. Assets held for sale and discontinued operation (continued)

Cash flows (used in) from discontinued operations

	2023	2022
Operating activities		
Profit for the year	$ 38,410	$ 41,980
Adjustments for:		
Depreciation	94,658	94,658
Changes in non-cash working capital balances:		
Prepaid expenses	(118)	(422)
Accounts payable and accrued expenses	(449,450)	–
Net cash (used in) provided by operating activities	(316,500)	136,216
Investing activities		
Purchase of investment property	(7,299)	–
Net cash used in investing activities	(7,299)	–
(Decrease) increase in cash and cash equivalents	$ (323,799)	$ 136,216

8. Property, plant and equipment

	Asphalt plant	Heavy equipment parts	Building improvements	Cranes, vehicles and equipment	Furniture and fixtures	Computer equipment	Capital property lease (Note 9)	Terminal operator's license (Note 9)	Total
Cost									
April 1, 2021	$ 1,520,217	$ 3,325,019	$ 498,320	$ 13,793,815	$ 364,782	$ 829,378	$ 3,600,581	$ 545,209	$ 24,477,321
Additions	143,641	576,300	863	914,460	16,653	32,974	–	741,602	2,426,493
Disposals	–	–	–	(327,697)	–	–	–	–	(327,697)
At March 31, 2022	$ 1,663,858	$ 3,901,319	$ 499,183	$ 14,380,578	$ 381,435	$ 862,352	$ 3,600,581	$ 1,286,811	$ 26,576,117
At April 1, 2023	$ 1,663,858	$ 3,901,319	$ 499,183	$ 14,380,578	$ 381,435	$ 862,352	$ 3,600,581	$ 1,286,811	$ 26,576,117
Additions	300,492	935,997	1,905	922,285	26,862	92,466	–	–	2,280,007
Disposals	–	–	–	(1,899,598)	–	–	–	–	(1,899,598)
At March 31, 2023	$ 1,964,350	$ 4,837,316	$ 501,088	$ 13,403,265	$ 408,297	$ 954,818	$ 3,600,581	$ 1,286,811	$ 26,956,526

8. Property, plant and equipment (continued)

	Asphalt plant	Heavy equipment parts	Building improvements	Cranes, vehicles and equipment	Furniture and fixtures	Computer equipment	Capital property lease (Note 9)	Terminal operator's license (Note 9)	Total
Accumulated depreciation									
At April 1, 2021	$ 116,953	$ 1,978,679	$ 383,870	$ 7,175,729	$ 346,796	$ 410,805	$ 144,144	$ 371,104	$ 10,928,080
Depreciation for the year	69,114	692,281	22,055	1,063,726	17,020	103,786	72,072	189,555	2,229,609
Disposals	–	–	–	(327,697)	–	–	–	–	(327,697)
At March 31, 2022	$ 186,067	$ 2,670,960	$ 405,925	$ 7,911,758	$ 363,816	$ 514,591	$ 216,216	$ 560,659	$ 12,829,992
At April 1, 2022	$ 186,067	$ 2,670,960	$ 405,925	$ 7,911,758	$ 363,816	$ 514,591	$ 216,216	$ 560,659	$ 12,829,992
Depreciation for the year	77,998	677,049	23,186	1,097,596	13,398	113,848	72,072	185,400	2,260,547
Disposals	–	–	–	(1,670,422)	–	–	–	–	(1,670,422)
At March 31, 2023	$ 264,065	$ 3,348,009	$ 429,111	$ 7,338,932	$ 377,214	$ 628,439	$ 288,288	$ 746,059	$ 13,420,117
Net book value									
At April 1, 2021	$ 1,403,264	$ 1,346,340	$ 114,450	$ 6,618,086	$ 17,986	$ 418,573	$ 3,456,437	$ 174,105	$ 13,549,241
At March 31, 2022	$ 1,477,791	$ 1,230,359	$ 93,258	$ 6,468,820	$ 17,619	$ 347,761	$ 3,384,365	$ 726,152	$ 13,746,125
At March 31, 2023	$ 1,700,285	$ 1,489,307	$ 71,977	$ 6,064,333	$ 31,083	$ 326,379	$ 3,312,293	540,752	$ 13,536,409

9. Leases

Leases as lessee

The Company leases a property used by EEA, and SSL holds a Terminal Operator's License, each as outlined in Note 20.

The Company leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

Set out below are the carrying amounts of right-to-use assets recognized and the movements during the period:

	Terminal operator's license	Capital property lease	Total
Balance at April 1, 2021	$ 174,105	$ 3,456,437	$ 3,630,542
Modification to lease liabilities (Note 20)	741,602	–	741,602
Depreciation charge for the year	(189,555)	(72,072)	(261,627)
Balance at March 31, 2022	$ 726,152	$ 3,384,365	$ 4,110,517
Depreciation charge for the year	(185,400)	(72,072)	(257,472)
Balance at March 31, 2023	$ 540,752	$ 3,312,293	$ 3,853,045

Set out below are the carrying amounts of lease liabilities:

	Terminal operator's license	Capital property lease	Total
Balance at April 1, 2021	$ 174,105	$ 3,802,170	$ 3,976,275
Modification to lease liabilities (Note 20)	741,602	–	741,602
Accretion of interest	10,851	201,515	212,366
Payment of lease liabilities	(400,000)	(220,000)	(620,000)
Balance at March 31, 2022	$ 526,558	$ 3,783,685	$ 4,310,243
Accretion of interest	28,659	200,535	229,194
Payment of lease liabilities	(200,000)	(220,000)	(420,000)
Balance at March 31, 2023	$ 355,217	$ 3,764,220	$ 4,119,437

9. Leases (continued)

Set out below are the amounts recognized in the consolidated statement of comprehensive income:

	2023	2022
Depreciation expense on right-of-use assets	$ 257,412	$ 261,627
Interest on lease liabilities	229,194	212,366
Expenses relating to short-term leases – IT equipment	6,480	6,480
	$ 493,086	$ 480,473

	2023	2022
Total cash outflow for leases	$ 420,000	$ 620,000

Extension options

Some leases contain extension options exercisable by the Company. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Leases as lessor

The Company leased out its investment property during the years ended March 31, 2023 and 2022. The Company classified this lease as an operating lease, because the lease does not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Rental income recognized by the Company during the year ended March 31, 2023 was $160,841 (2022 - $160,841).

10. Cash and cash equivalents

The effective interest rate earned on cash and cash equivalents for the year ended March 31, 2023 was nil% (2022 - nil%).

11. Inventory

Inventory relating to raw materials of $749,637 (2022 - $502,888) is stated net of an allowance for obsolescence of $nil (2022 - $nil). Included in EEA expenses in the consolidated statement of comprehensive income are recognized inventory expenses of $912,339 (2022 - $1,288,146). No inventory was written down during the years ended March 31, 2023 or 2022.

12. Employee pension benefits

The total expense incurred for the Company's defined contribution plan was $214,397 (2022 - $201,302).

The total pension benefits expense is included in stevedoring expenses, EEA expenses, administrative salaries, wages and employment benefits in the consolidated statement of comprehensive income. Employee benefits also include the expense of providing health insurance benefits to employees during the term of their employment and to a former officer and director and former employee as described in Note 20.

13. Personnel expenses

	2023	2022
Salaries, wages and employment benefits	$ 5,448,439	$ 5,340,304
Key management compensation – short-term employment benefits	633,491	711,405
Compulsory payroll tax, social insurance, life, and health contributions	1,286,102	1,344,346
Payments to defined contribution pension scheme (Note 12)	214,397	201,302
	$ 7,582,429	$ 7,597,357

Personnel expenses are included in stevedoring expenses and administrative salaries and wages in the consolidated statement of comprehensive income.

14. Long-term debt

On March 14, 2019 the Company borrowed $3,800,000 from a Bermuda Bank, comprised of three separate loans:

A $1,500,000 loan at 0.55% above a Bermuda Bank's Bermuda dollar corporate base rate. The loan is repayable over 15 years.

A $1,900,000 loan at 1.20% above a Bermuda Bank's Bermuda dollar corporate base rate. The loan is repayable over 10 years.

A $400,000 loan at 3.2% above a Bermuda Bank's Bermuda dollar corporate base rate. The loan is repayable over 10 years.

Interest paid during the year was $195,864 (2022 - $183,822).

The long-term debt is secured by a fixed and floating debenture over the assets of the Company, cross guaranteed by ESR, MRH and EEA, with a first mortgage over MRH's property in the amount of $2.0 million.

Principal repayments are as follows:

2024	$ 270,136
2025	291,819
2026	314,662
2027	339,315
2028	365,638
2029 and thereafter	1,402,167
	$ 2,983,737

Reconciliation of repayment of the loan to cash flows from financing activities:

	2023	2022
Balance as at April 1,	$ 3,257,899	$ 3,529,913
Repayment of long-term debt	(274,162)	(272,014)
Balance as at March 31,	$ 2,983,737	$ 3,257,899

15. Goodwill

On March 14, 2019, the Company acquired 100% of the shares and voting interests in East End Asphalt Company Limited ("EEA"). Goodwill of $1,339,892 represented the excess purchase price of $4,189,497 over the net assets in EEA at the time of acquisition of $2,849,605. Goodwill arose through a number of synergies gained from the existing operations.

	2023	2022
Balance at April 1	$ 1,100,000	$ 1,100,000
Impairment loss	(1,100,000)	–
	$ –	$ 1,100,000

Impairment

In previous years goodwill was impaired to its estimated recoverable amount of $1,100,000. At year-end, management conducted an impairment review on the goodwill allocated to EEA. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The cash flow projections included specific estimates for five years based on expectations of future outcomes taking into account past experience. The discount rate of 10.5% (2022 - 10.5%) was a pre-tax measure based on the Company's strategic return on investment and approximates the weighted average cost of capital.

EEA acquired its lease property on May 4, 2023, as outlined in Note 20. Given the ongoing and increased softness in Bermuda's construction industry, and the associated deterioration in EEA's revenue, the recoverable amount of the CGU of $5,980,461 was determined to be lower than its carrying amount of $7,229,191, and as such management recognized an impairment loss of $1,100,000 in the year (2022 - $nil).

The key assumptions used in the estimation of value in use were a discount rate amended to 10.4% (2022 - 10.5%) and annual net cash flows of $426,000 (2022 - $435,000). Cash flows are based on prior periods projected for the year ending March 31, 2024 assuming a 5-year projection period plus a perpetuity. Capital expenditures of $190,000 per annum were factored into the cash flow projections, as investment is needed to maintain the current level of operations of the CGU. The Company has assumed an annual growth rate of 2% (2022 - nil%).

Sensitivity Analysis

The Company prepared a stress testing considering the following scenarios taking into account different discount rates and forecasted cash flows. Cash flows have to increase by 17.9% each year for the impairment model to achieve break even.

The discount rate would have to decrease to 9.0% for the impairment model to achieve break even.

16. Share capital

The Company's authorized share capital is $2,000,000 represented by 2,000,000 common shares of par value $1 each. At March 31, 2023 1,189,787 (March 31, 2022 - 1,188,302) shares were issued and fully paid. As explained in Note 1, PHC was created to facilitate the restructuring of the SSL group by way of a court approved Scheme of Arrangement. The Scheme was the vehicle by which the shares of SSL were transferred to PHC on the same basis as they were held in SSL, and these new shares replaced the shares of SSL listed on the Bermuda Stock Exchange. The Scheme became effective on March 28, 2011 after shareholder and Supreme Court approval.

	Number of ordinary shares	
	2023	2022
In issue at April 1	1,188,302	1,187,132
Exercise of share options	1,485	1,170
In issue at March 31 – fully paid	1,189,787	1,188,302

As at March 31, 2023 the direct and indirect shareholding ownership of directors and officers was 328,717 (2022 - 328,717) shares. No rights to subscribe for shares in the Company have been granted to or exercised by any director or officer, except for the share option agreement referred to below.

The holders of common shares are entitled to receive dividends as declared from time to time. The following dividends were declared and paid by the Company:

	2023	2022
$0.08 (2021 - $nil) per qualifying ordinary share – June	$ 118,804	$ 94,971
$0.10 (2021 - $nil) per qualifying ordinary share – September	118,804	119,033
$0.10 (2021 - $nil) per qualifying ordinary share – December	118,879	118,190
$0.10 (2021 - $nil) per qualifying ordinary share – March	118,879	119,151
	$ 475,366	$ 451,345

Share option agreement (equity settled)

During the year ended March 31, 2022 the Company established an employee stock option plan ("Plan"), for all full-time employees with one year or more of tenure. The Plan will operate for a period of 10 years from the effective date being September 17, 2021. The total number of shares reserved and available for issuance under the Plan is 125,000 shares which will be issued from the Company's authorised and unissued share capital. Eligible employees each have an option to acquire up to 125 common shares twice annually per year on April 1 and October 1 (subject to a minimum subscription of 25 shares) at a price 20% below the weighted average of the Company's Bermuda Stock Exchange trade price, based on the last three trades. Unexercised options expire within 5 business days of the April 1 and October 1 grant dates and are added back to the share option plan. As at March 31, 2023 and 2022 all options granted but not exercised have expired.

Stock options	2023	2022
Granted	12,500	12,500
Exercised	(1,485)	(1,170)
Expired	(11,015)	(11,330)

17. General reserve

General reserve represents amounts appropriated by the directors.

18. Related party transactions

Bermuda International Shipping Ltd (“BISL”) and Somers Isles Shipping Ltd (“SISL”) are companies which are related by virtue of common directors of the Company.

The Company earned stevedoring revenue of $5,567,358 (2022 - $5,248,718) from both BISL and SISL. Included in accounts receivable as at March 31, 2023 is $496,939 (2022 - $477,446) due from both companies.

Meyer Technologies Ltd. and Forensics First Ltd. are related by virtue of common a director of the Company. The Company incurred information technology expenses of $210,952 (2022 - $165,762) from Meyer Technologies Ltd. which are included in information technology and telecommunication expenses in the consolidated statement of comprehensive income. The Company incurred consultancy expenses of $94,485 (2022 - $86,760) from Forensics First Ltd. which are included in professional fees in the statement of comprehensive income.

19. Earnings per share

Earnings per share is computed by dividing income for the year by the monthly weighted average number of shares outstanding during the year.

The calculation of basic (loss) earnings per share at March 31, 2023 is based on the loss attributable to ordinary shareholders of $(481,901) (2022 - profit of $1,133,579), and a weighted average number of ordinary shares outstanding of 1,189,045 (2022 - 1,187,717).

Weighted-average number of ordinary shares

	2023	2022
Issued ordinary shares at April 1	1,187,132	1,187,132
Effect of shares issued in the year (Note 16)	743	585
Weighted-average number of ordinary shares at March 31	1,189,045	1,187,717

Share options with a dilutive effect were issued on October 1, 2021 (Note 16). The calculation of diluted earnings per share at March 31, 2023 is based on the loss attributable to ordinary shareholders $(481,901) (2022 – profit $1,133,579), and a diluted weighted average number of ordinary shares outstanding of 1,189,045 (2022 - 1,187,717).

20. Commitments

The Company has committed to provide and pay the health insurance costs for a former officer and director of the Company for the five years ended March 31, 2022 and it has committed to provide and pay the health insurance costs for a former employee for the rest of her life. The present value of these future obligations (which is unfunded) is estimated at $127,849 (2022 - $122,853) and has been included in accrued expenses in the consolidated statement of financial position.

The Company entered into a Terminal Operator's License with respect of the City of Hamilton docks The license has a 5-year term which commenced on March 1, 2016. On August 31, 2020 the license was extended until February 28, 2022, and on May 20, 2022 it was further extended for four additional years, ending February 28,

2026. Under the current agreement the license fee for each year is $200,000 or 1.8% of the gross revenue of the operator, SSL, whichever shall be the greater.

The Company leases a property in Hamilton Parish where it operates its EEA subsidiary. The lease has a 20-year term which commenced March 15, 2019 and has an option to be extended for 30 additional years. The Company may terminate the lease, with six months' notice, at any point during the lease's first 10 years. Rent was $90,000 per year in years one and two, increasing to $220,000 per year in the third year, and rising by the rent section of the Bermuda Consumer Price index thereafter.

Subsequent to the year end on May 4, 2023, the Company acquired the property currently utilized by EEA for operations for $2,650,000, financing the purchase through a $1,000,000 bank loan and working capital. The acquisition will be held in a new wholly owned subsidiary. As a result of the purchase EEA's capital lease asset and liability will be removed from the balance sheet in 2023.

The Group had no contracted capital commitments as at March 31, 2023 or 2022

21. Financial instruments

Fair value

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and long-term debt approximates their carrying value due to their short-term maturity or because they attract market rates of interest which are variable.

Certain items such as inventory, property, plant and equipment and prepaid expenses are excluded from fair value disclosure. Thus, the total fair value amounts cannot be aggregated to determine the underlying economic value of the Company.

Credit risk

A concentration of credit risk exists when there are significant contracts with individual counterparties or when groups of issuers or counterparties have similar business characteristics that would cause their ability to meet contractual commitments to be adversely affected, in a similar manner, by changes in the economy or other market conditions.

Market risk

The Group has no significant interest rate, foreign exchange or other price risk.

21. Financial instruments (continued)

(a) Cash and cash equivalents and investments

At March 31, 2023 - 66% (2022 - 82%) of the Company's cash and cash equivalents are held with a single Bermuda bank which has a credit rating of BBB+ according to the Standard & Poor's rating agency. Management does not believe that there is any significant credit risk with respect to its cash and cash equivalents.

The following table presents an analysis of the credit quality of cash and cash equivalents at amortized cost by reference to the external credit rating and default rates published by Standard & Poor's:

	2023	2022
BBB+	$ 1,490,261	$ 2,211,011
B	762,219	474,106
Impairment loss	–	–
	$ 2,252,480	$ 2,685,117

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties, and accordingly no impairment loss has been recorded. 12-month and lifetime probabilities of default are based on historical data supplied by Standard & Poor's for each credit rating and are recalibrated based on current bond yields and credit default swap prices.

21. Financial instruments (continued)

(b) Accounts receivable

Included in accounts receivable is unbilled work in progress of $nil (2022 - $158,645). At March 31, 2023 - 78% (2022 - 59%) of the Company's accounts receivable balance is due from three customers.

The Company's major customers have been transacting with the Company for a number of years and significant losses have not occurred. Therefore, management does not believe there is significant credit risk arising from accounts receivable balances. The maximum exposure to credit risk for accounts receivable is represented by the carrying value in the consolidated statement of financial position.

Expected credit loss assessment for individual customers

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at March 31, 2023:

As at March 31, 2023	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current	nil%	$ 1,028,126	$ nil	No
Past 30 days	nil%	35,134	nil	No
Past 60 days	nil%	18,027	nil	No
Past 90 days	nil%	81,437	nil	No
		$ 1,162,724	$ nil	

Loss rates are based on the actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

21. Financial instruments (continued)

(b) Accounts receivable (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at March 31, 2022:

As at March 31, 2022	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current	nil%	$ 1,112,277	$ nil	No
Past 30 days	nil%	34,245	nil	No
Past 60 days	nil%	10,790	nil	No
Past 90 days	4%	107,631	4,500	No
		$ 1,264,943	$ 4,500	

Loss rates are based on the actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	2023	2022
Balance at April 1	$ 4,500	$ –
Impairment provision	–	4,500
Amounts written off	(4,500)	–
Net re-measurement of loss allowance	–	–
Balance at March 31	$ –	$ 4,500

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect interest payable on long-term debt and interest earned on cash and cash equivalents. The Company's exposure to the risk of changes in market interest relates primarily to the Company's variable portion of the interest rate applicable to the long-term debt. A 100 basis point increase or decrease in interest rates at the beginning of the reporting period would have increased or decreased net loss by approximately $30,000.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash together with cash generated from the collection of accounts receivable to meet all its liabilities as they fall due.

21. Financial instruments (continued)

Liquidity risk (continued)

The table below categorizes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are contractual undiscounted consolidated cash flows and represents future payments and principal balances including interest accrual.

As at March 31, 2023	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 15 years
Accounts payable	$ 626,483	$ 626,483	$ -	$ -	$ -
Lease liability	4,119,437	95,403	95,403	222,806	3,705,825
Long-term debt	4,170,575	306,363	306,363	612,726	2,945,123
	$ 8,916,495	$ 1,028,249	$ 401,766	$ 835,532	$ 6,650,948

As at March 31, 2022	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 15 years
Accounts payable	$ 441,552	$ 441,552	$ –	$ –	$ –
Lease liability	4,310,243	95,403	95,403	394,147	3,725,290
Long-term debt	4,151,170	227,918	227,918	455,837	3,239,497
	$ 8,902,965	$ 764,873	$ 323,321	$ 849,984	$ 6,964,787

22. Capital management

The Company's capital comprises shareholders' equity, which consists of share capital, share premium, general reserve and retained earnings. The Company's capital management approach is driven by its operational requirements whilst functioning within Bermuda's economic, commercial, and regulatory environment. The Company's strategy is approved by the Board of Directors. The Board of Directors also monitors the level of dividends to ordinary shareholders. It is the Company's policy to maintain a strong capital base to support operational needs at all times, to provide returns to its shareholders and to maintain investor, creditor and market confidence, and to sustain future development of the business. The Company also maintains discipline over its investment decisions. The allocation of capital is monitored to ensure that returns are appropriate after taking account of capital cost.

PHC's capital management policies and principles define the process by which the Company examines the risk profiles from both economic and regulatory capital viewpoints. This ensures that the minimum levels of capital are maintained to meet the following circumstances:

- i. Remain sufficient to support the Company's risk profile and outstanding commitments.
- ii. Capable of withstanding a severe economic downturn scenario.
- iii. Remain consistent with the Company's strategic and operational goals whilst maintaining the Board of Directors' and shareholders' expectations.

22. Capital management (continued)

There were no changes to the Company's approach to capital management during the year. The Company is not exposed to externally imposed capital requirements.

23. Operating segments

The reportable operating segments (all located in Bermuda) are as follows:

1. PHC carries on business as an investment holding company in Bermuda.
2. SSL carries on the business as a stevedoring company in Bermuda.
3. ESR carries on the business of purchasing and leasing heavy operating machinery and equipment in Bermuda.
4. MRH carries on the business of leasing its investment property to businesses as office and business space in Bermuda.
5. EEA carries on business as an asphalt manufacturing and paving company.

For management purposes, the Group is organized into these five (2022 - five) separate business segments based on their products and services. For financial reporting purposes, these five (2021 - five) companies are the main contributing factors for the consolidated financial statements of PHC. Inter-segment transactions are determined [on an arm's length basis

Management including the chief operating decision maker, monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on the profit or loss of the Company which is explained in the table below.

Due to a leasing arrangement between ESR (the "lessor") and SSL (the "lessee") for the use of the heavy port operating equipment, an elimination transaction in the amount of $1,320,745 (2022 - $1,333,613) was recognized under the PHC group structure.

The SSL segment of the group earns $10,980,471 from three customers who contribute $5,567,358 (35%), $3,120,765 (20%), and $2,446,592 (16%), respectively, to the total revenue of the group of $15,545,017.

23. Operating segments (continued)

2023

Revenue/expenses (stated in $000's)

	EEA	PHC	SSL	ESR	MRH*	Elimination	Consolidated
Stevedoring revenue	$ –	$ –	$ 11,410	$ –	$ –	$ –	$ 11,410
EEA revenue	3,974	–	–	–	–	–	3,974
Rental income	–	–	–	–	161	–	161
Inter-segment	–	970	–	1,321	–	(2,291)	–
Total revenue	3,974	970	11,410	1,321	161	(2,291)	15,545
Stevedoring expenses	–	–	6,819	–	–	–	6,819
EEA expenses	2,764	–	–	–	–	–	2,764
Depreciation	16	–	152	–	–	–	168
Depreciation of investment property	–	–	–	858	95	–	953
Interest expense	396	–	29	–	–	–	425
Goodwill impairment	–	1,100	–	–	–	–	1,100
Other expenses	1,053	970	1,685	62	28	–	3,798
Expenses	4,229	2,070	8,685	920	123	–	16,027
Inter-segment	30	–	2,015	240	6	(2,291)	–
Total expenses	4,259	2,070	10,700	1,160	129	–	16,027
Profit (loss) for the year	$ (285)	$ (1,100)	$ 710	$ 161	$ 32	$ –	$ (482)

*Amount relates to MRH discontinued operations

23. Operating segments (continued)

2022

Revenue/expenses (stated in $000's)

	EEA	PHC	SSL	ESR	MRH	Elimination	Consolidated
Stevedoring revenue	$ –	$ –	$ 11,153	$ –	$ –	$ –	$ 11,153
EEA revenue	4,662	–	–	–	–	–	4,662
Rental income	–	–	–	–	161	–	161
Inter-segment	–	923	–	1,333	–	(2,256)	–
Total revenue	4,662	923	11,153	1,333	161	(2,256)	15,976
Stevedoring expenses	–	–	6,525	–	–	–	6,525
EEA expenses	3,143	–	–	–	–	–	3,143
Depreciation	14	–	139	876	–	–	1,029
Depreciation of investment property	–	–	–	–	95	–	95
Finance expenses	383	–	10	–	–	–	393
Other expenses	906	923	1,799	5	24	–	3,657
Expenses	4,446	923	8,473	881	119	–	14,842
Inter-segment	30	–	1,990	230	6	(2,256)	–
Total expenses	4,476	923	10,463	1,111	125	(2,256)	14,842
Profit for the year	$ 186	$ –	$ 690	$ 222	$ 36	$ –	$ 1,134

23. Operating segments (continued)

As at March 31, 2023

		EEA		PHC		SSL		ESR		MRH		Total reportable segments		Elimination		Total
Assets	$	9,338	$	3,696	$	5,332	$	5,820	$	1,931	$	26,117	$	(6,405)	$	19,712
Liabilities		7,309		92		1,825		-		-		9,226		-		9,226
Capital expenditure		391		-		1,105		930		7		-		-		2,434

As at March 31, 2022

		EEA		PHC		SSL		ESR		MRH		Total reportable segments		Elimination		Total
Assets	$	10,128	$	5,261	$	4,402	$	5,659	$	1,899	$	27,349	$	(6,405)	$	20,944
Liabilities		7,814		95		1,605		–		–		9,514		–		9,514
Capital expenditure		805		–		615		266		–		–		–		1,686

It always seems impossible
until it's done.

Nelson Mandela

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SSL
STEVEDORING SERVICES LIMITED
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EEA
EAST END ASPHALT COMPANY LIMITED
A Polaris Company

MRH
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